



## SALES & TIP REPORTING SHEETS

An addendum to the

# Tip Allocation & Tip Reporting

## A Manager's Guide

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These Excel-based Worksheets will allow Managers to accurately track sales and tips by the required categories necessary to comply with the IRS Tip Allocation & Tip Reporting requirements. Daily information is manually entered for each employee, and then consolidated. Once consolidated onto the Activity Sales & Tip Reporting Sheet in Excel, the program will automatically complete most of DA Form 5163-R (the report that goes to payroll) as well as most of DA Form 5462-R (the Tip Allocation & Tip Reporting Worksheet). It will also generate a report that advises Managers which employees are not in compliance with Tip Allocation as well those not in compliance with the Cash vs. Charge Tip Rate rules.

The Manager's Guide and this Addendum are also available for download at [www.armymwr.com](http://www.armymwr.com). Click on "Business Programs," then on "Tips."

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## **Introduction:**

This Addendum contains a set of five Worksheets that will assist Managers in completing (and fully complying with) IRS Tip Allocation & Tip Reporting requirements. The Worksheets are not mandatory, but are provided as means of simplifying a complicated process and ensuring accuracy of reporting.

Managers simply fill out the first sheet every day. At the end of the pay period, the totals from each employee's sheet is transferred to the second Excel file. The remaining three are almost completely filled in automatically, from the information contained on the second sheet.

The forms are color coded to simplify the process for you (it helps to print in color but if you cannot, you can review the color coding on the PC screen when filling in the information). Please follow the appropriate directions to avoid destroying links and formulas. Generally, data/columns in BLUE must be typed in. Data/columns in BLACK are formulas. Data/columns in GREEN are linked to other sheets in this package and are automatically filled in for you based on information previously typed. Do NOT type in GREEN spaces or BLACK columns.

## **List of Worksheets:**

### **1. Employee Daily Sales & Tip Reporting Sheet**

This Worksheet is designed for "behind the cash register" use. A copy should be printed for EACH tipped employee. Each day, at the close of that employee's shift, all the requested information should be filled out. Space is provided for 14 days of entry.

### **2. Activity Sales & Tip Reporting Sheet**

This Worksheet is where you consolidate the end-of-pay-period TOTALS for each employee. The columns totals for each employee is entered into this Excel sheet. There is room for 20 employees.

### **3. Tips, Service Charges, and Meals Report (DA Form 5163-R)**

This is an Excel version of the DA Form. It is NOT an official Army form. This form is submitted to payroll every pay period and is used to report all tips, service charges, etc. If you submit this data via the TLMS system, you could transfer the data from this Worksheet for each employee, directly to the TLMS system. This sheet calculates the correct cash and charge tips and also automatically posts any Allocations that may be required directly from DA Form 5462-R.

### **4. Tip Allocation & Tip Reporting Worksheet (DA Form 5462-R)**

This is the same Worksheet that is provided in the Manager's Guide. However, this version is designed to automatically transfer the information from the Activity Sales & Tip Reporting Sheet (and others) to DA Form 5462-R, substantially reducing your time and efforts.

### **5. Employee Tip Compliance Report**

This is a newly created report. It tells Managers which employees are not in compliance with the Tip Allocation Reporting standard and/or the Cash vs. Charge Tip Reporting Standard, based on the data entered in the other Worksheets. It also advises you of the proper amount that SHOULD be reported in order to bring that employee to compliance. If employees are advised of these amounts prior to submission to payroll, you can simply make one change on the Activity Sheet which will automatically recalculate all entries (including this sheet).

## **1. Employee Daily Sales & Tip Reporting Sheet**

### **A. General Instructions:**

- 1) This Worksheet is designed for “behind the cash register” use. One copy should be printed for EACH tipped employee and placed in a location convenient to employees. At the end of the shift, the employee and manager should obtain the needed information from the register or other means, to determine that employee’s sales and tips by the listed categories.
- 2) Please read the “NOTES” section at the bottom of the form. It contains information that is crucial to accurately completing this form. Also, this form is to be filled in manually. It should be filled in EVERY day at the end of the employee’s shift or at the end of the day.

### **B. Specific Instructions:**

- 1) The form has space for all 14 days of the pay period. Insert an employee’s name on each sheet you print out. When data is recorded for that day, ensure that both the employee and someone in management initial the information.
- 2) Columns under “TIPS” heading:
  - a. These are all the types of tips that must be recorded. Please read each column header and the “NOTES” at the bottom carefully. Most of this information is also listed on the IRS Form 4070 and 4070A that employees can use to track their own tips.
  - b. It is important to remember that if Charged Tips are paid out of the cash register directly to employees at the end of the shift, the amount paid out is treated two ways: For payroll purposes, it is considered and reported as a “cash tip.” For “tip allocation” purposes, it is treated as a “charge tip.” Ensure you enter these amounts correctly on this form, as when you transfer the totals for employees to the next sheet, the follow on sheets (DA Form 5163-R and DA Form 5462-R) will automatically place the numbers in the correct location, saving you lots of confusion (and calculating time).
  - c. Columns (4) & (5) are for tips paid by directly tipped employees to indirectly tipped employees. If you don’t have this arrangement at your activity, just leave those columns blank. If you do, remember to record the tips paid out (by either cash or charge) on this sheet, as well as on a separate sheet that the person receiving the tip share also initials, verifying receipt. What happens a lot is that a directly tipped employee will indicate \$10 paid out. An indirectly tipped employee will report \$5 received. These differences MUST be settled before the reports go to payroll. Also note that the “full amount of the tip” goes in (1) or (2). Do NOT put in the “after tip split.” The later sheets automatically make the adjustment, so only the net amount received by directly tipped employees is reported to payroll.
  - d. The “SALES” section allows you to enter the three basic types of sales that the IRS requires be tracked. Column (10) was added so non-tipped take-out sales can be removed from the calculations. If the amount of take-out is minimal, it really will not have much affect, so you could ignore it.

### **C. Completion of Sheet:**

At the end of the pay period (or the last day the employee works in that pay period), transfer the amounts in the “TOTAL” row, for each column, to the next Worksheet (Activity Sales & Tip Reporting Sheet).

# EMPLOYEE DAILY SALES & TIP REPORTING SHEET

Pay Period: \_\_\_\_\_

DAY	Employee Name:  Employee Initials      Management Initials	TIPS					SALES				Total Allocable Sales	
		Tips Received by Directly Tipped Employees		Direct Tips Paid Out to Others		Total Tips (6) TOTAL DIRECT TIPS (1)+(2)+(4)+(5)	Allocable Sales		Non-Allocable (10) TAKE OUT F&B SALES (NO TIPS)	Total Allocable Sales (11) TOTAL ALLOCABLE SALES (7)+(8)+(9)		
		(1) CASH TIPS (from Cash or Charge Sales)	(2) CHARGED TIPS (TIPS on Charge Cards)	(3) Charged Tips Given to Employee From the Register	(4) TIPS PAID OUT FROM CASH TIPS (INDIRECT TIPS)		(5) TIPS PAID OUT FROM CHARGED TIPS (INDIRECT TIPS)	(7) CASH SALES			(8) CHARGE SALES WITH CHARGED TIPS	(9) CHARGE SALES WITHOUT CHARGED TIPS
1												
2												
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
TOTAL		\$	-	\$	-	\$	-	\$	-	\$	-	\$

Transfer the Column Totals from this Sheet to the identical columns on the "Activity Sales & Tip Reporting Sheet"

NOTES

(1) Enter ALL Cash Tips received. If the customer charges F&B, but leaves a cash tip, include the tip here.

(2) Enter ALL Charge Tips even if the tip is paid out of the register to the employee.

(3) IF management gives/pays out charged tips to employees from the cash register, you MUST list the amount in this column. The total of all Charge Tips is still listed in (2). For example, if Charged Tips are \$15, and all \$15 is paid out of the register to the employee, you would enter \$15 in BOTH Column (2) and (3). If you only paid out \$5 from the register, Column (2) would still be \$15, but Column (3) would be \$5. The amount in Column (3) MUST be reported to payroll as a "cash tip" (already received by the employee) in Column (4) of DA Form 5163-R. It is NOT listed as a charge tip on DA Form 5163-R. However, for Tip Allocation purposes it remains a Charge Tip and must be included on DA Form 5462-R Block 22b. This set of Excel sheets automatically does this for you. It is recommended that all charged tips be sent thru payroll and NOT paid out of the register to employees, as it is easier to keep things straight..

(4)&(5) If Directly Tipped Employees pay out any of their tips (tip pool) to bus staff, etc (Indirectly Tipped Employees), enter the amounts here. The FULL AMOUNT of the tip, is still placed in (1) or (2). Example: If a Directly Tipped Employee receives \$15 in tips, and pays out 10% to support staff, \$15 would be recorded in (1) or (2) and \$1.50 recorded in (4) or (5). A separate DA Form 5163-R should be done for Indirectly Tipped Employees. Do NOT use this system for recording tips reported by indirectly tipped employees. NOTE: The amount paid out TO Indirectly Tipped Employees MUST match the amount reported as RECEIVED by them.

(9) If a customer charges a food & beverage purchase, and then leaves a cash tip, the charged meal is listed in (9), and the cash tip is listed in (1).

(10) Take-Out Sales sales may be excluded from the Tip Allocation & Reporting Process if there are no tips. If tips are received, include the sales and tips under cash or charge, as appropriate. Remember, Tip Allocation ONLY applies to Food & Beverage sales.

## **2. Activity Sales & Tip Reporting Sheet**

### **A. General Instructions:**

1) Consolidate all Employee Daily Sales & Tip Reporting Sheets. Type the information in the "TOTAL ROW" from each sheet, onto the Excel Worksheet. There is room for 20 employees. If you have more than 20 employees assigned to that register in a normal day, please find an Excel expert to make the modifications (inserting more rows and copying the formulas/links) or contact CFSC for assistance. Unless the formulas and links are copied in the proper order, the follow-on sheets will not work.

2) All entries on this form need to be typed in except for the subtotal columns (6) and (11). Those will calculate automatically, as well as the TOTAL row at the bottom.

3) The places to transfer the information from this sheet to the other sheets are noted at the bottom. This is provided in case you use these sheets in printed form. Please ensure that the written formulas are followed, and that the transfers are made to the correct places.

### **B. Specific Instructions:**

1) For the first employee, simply transfer the data at the bottom of that Employee's Sheet onto the first row of the Activity Sheet.

2) Continue for all employees.

3) All the data entered will automatically transfer to the remaining forms.

4) A number of the items on this sheet can be confusing so please pay careful attention to the descriptions. For example, Column (5) Tips Paid Out from Charged Tips (Indirect Tips). Several examples are provided in the "NOTES" section of the Employee Sheet that is not repeated on this sheet. Managers have to know if the charge tips paid out to bus or other staff is going thru payroll, or if the directly tipped employee is given the charge tip from the cash register, and then distributes an amount to the indirectly tipped employee. If the former (thru payroll) then the tip share to the bus staff would be entered in (5) and the entire charge tip amount is entered in (2). If the latter (the whole charge tip is given to the wait staff from the register), then the entire tip is listed in (1) and the amount given to the bus staff is listed in (4).

### **C. Completion of Sheet:**

Since all the data on this sheet is automatically transferred to the other sheets in this set, after you've entered the last person, go on to the next sheet (DA Form 5462-R).

# ACTIVITY SALES & TIP REPORTING SHEET

Pay Period: \_\_\_\_\_

TIPS										SALES			
Tips Received by Directly Tipped Employees				Direct Tips Paid Out to Others			Allocable Sales			Non-Allocable		Total Allocable Sales	
(1) CASH TIPS (from Cash or Charge Sales)		(2) CHARGED TIPS (Tips left on Charge Cards)	(3) Charged Tips GIVEN to Employee From the Register	(4) TIPS PAID OUT FROM CASH TIPS (INDIRECT TIPS)	(5) TIPS PAID OUT FROM CHARGED TIPS (INDIRECT TIPS)	(6) TOTAL DIRECT TIPS (1)+(2)-(4)-(5)	(7) CASH SALES	(8) CHARGE SALES WITH CHARGED TIPS	(9) CHARGE SALES WITHOUT CHARGED TIPS	(10) TAKE OUT F&B SALES (NO TIPS)	(11) TOTAL ALLOCABLE SALES (7)+(8)+(9)		
1	A	\$ 112.00	\$ 212.50	\$ 7.50	\$ -	\$ -	\$ 324.50	\$ 1,752.00	\$ 1,398.00	\$ 50.00	\$ 38.00	\$ 3,200.00	
2	B	\$ 125.00	\$ 146.00		\$ 2.00	\$ -	\$ 269.00	\$ 1,000.00	\$ 912.00	\$ 50.00	\$ 12.00	\$ 1,962.00	
3	C	\$ 12.00	\$ 156.52	\$ -	\$ -	\$ 1.00	\$ 167.52	\$ 950.00	\$ 940.00	\$ 50.00	\$ 30.00	\$ 1,940.00	
4							\$ -					\$ -	
5							\$ -					\$ -	
6							\$ -					\$ -	
7							\$ -					\$ -	
8							\$ -					\$ -	
9							\$ -					\$ -	
10							\$ -					\$ -	
11							\$ -					\$ -	
12							\$ -					\$ -	
13							\$ -					\$ -	
14							\$ -					\$ -	
15							\$ -					\$ -	
16							\$ -					\$ -	
17							\$ -					\$ -	
18							\$ -					\$ -	
19							\$ -					\$ -	
20							\$ -					\$ -	
TOTAL		\$ 249.00	\$ 515.02	\$ 7.50	\$ 2.00	\$ 1.00	\$ 761.02	\$ 3,702.00	\$ 3,250.00	\$ 150.00	\$ 80.00	\$ 7,102.00	

  

Column Totals To DA Forms 5163-R & 5462-R	Enter (1)+(3)-(4) on DA Form 5163-R Column (4).	Total Tips Paid Out (10)+(11), Transfer Total to DA Form 5462-R, Block 9b.	\$	3.00	Transfer Column Total to DA Form 5462-R Block 6a.	Transfer Column Total to DA Form 5462-R Block 6b.	Transfer Column Total to DA Form 5462-R Block 6c.	Total of Column should equal entry on DA Form 5462-R Block 6d.
	Entry (2)-(3)-(5) on DA Form 5163-R Column (5).							

### **3. Tips, Service Charges, and Meals Report (DA Form 5163-R)**

#### **A. General Instructions:**

This is an Excel version of the DA Form. It is NOT an official Army form. This form is submitted to payroll every pay period and is used to report all tips, service charges, etc. If you submit this data via the TLMS system, you can transfer the data from this Worksheet for each employee directly to the TLMS system. This sheet calculates the correct cash and charge tips for each employee as well as posts any Allocations that may be required directly from DA Form 5462-R.

#### **B. Specific Instructions:**

- 1) Enter appropriate information in Column (1) & (2).
- 2) Columns (3) thru (6) are automatically filled in (linked or formula) from previous Worksheets. Do NOT fill in any information in these columns.
- 3) Type in the amount of any Service Charge distributions in Column (7).
- 4) Columns (8) & (9) are automatically filled in (linked or formula) from previous Worksheets. Do NOT fill in any information in these columns.
- 5) Enter appropriate information in Column (10) as required.

#### **C. Completion of Sheet:**

- 1) This sheet would be signed by the appropriate individual and either sent to payroll, or the amount in each employee's row would be transferred onto the same columns in the TLMS system.
- 2) Please read the "NOTES" section carefully, as you will likely get questions from employees on how the data is calculated. It also contains some explanations to encourage full reporting of tip income such as it acts to increase your retirement benefits, Social Security benefits, etc.
- 3) If you are manually completing DA Form 5462-R, you will need to type in the information in Column (9) of this form, based on the entries in Column (21) of DA Form 5462-R.

NONAPPROPRIATED FUND CENTRAL PAYROLL SYSTEM									
TIPS, SERVICE CHARGES AND MEALS REPORT									
For use of this form, see DoD 7000.14-R, Volume 13; the proponent agency is ASA (FM&C)									
INSTALLATION									
PAY PERIOD ENDING									
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
WORK CENTER	SSN	NAME	REPORTED TIPS (Cash Tips)	CHARGE TIPS Not Paid to Employee from the Register	TOTAL TIPS	SERVICE CHARGE	TOTAL TIP & SERVICE CHARGE	TIP ALLOCATION	MEAL DEDUCTIONS
1	123-45-6789	A	\$ 119.50	\$ 205.00	\$ 324.50		\$ 324.50	\$ -	
2	234-56-7890	B	\$ 123.00	\$ 146.00	\$ 269.00		\$ 269.00	\$ -	
3	345-67-8901	C	\$ 12.00	\$ 155.52	\$ 167.52		\$ 167.52	\$ -	
4			\$ -	\$ -	\$ -		\$ -	\$ -	
5			\$ -	\$ -	\$ -		\$ -	\$ -	
6			\$ -	\$ -	\$ -		\$ -	\$ -	
7			\$ -	\$ -	\$ -		\$ -	\$ -	
8			\$ -	\$ -	\$ -		\$ -	\$ -	
9			\$ -	\$ -	\$ -		\$ -	\$ -	
10			\$ -	\$ -	\$ -		\$ -	\$ -	
11			\$ -	\$ -	\$ -		\$ -	\$ -	
12			\$ -	\$ -	\$ -		\$ -	\$ -	
13			\$ -	\$ -	\$ -		\$ -	\$ -	
14			\$ -	\$ -	\$ -		\$ -	\$ -	
15			\$ -	\$ -	\$ -		\$ -	\$ -	
16			\$ -	\$ -	\$ -		\$ -	\$ -	
17			\$ -	\$ -	\$ -		\$ -	\$ -	
18			\$ -	\$ -	\$ -		\$ -	\$ -	
19			\$ -	\$ -	\$ -		\$ -	\$ -	
20			\$ -	\$ -	\$ -		\$ -	\$ -	
TOTAL			\$ 254.50	\$ 506.52	\$ 761.02	\$ -	\$ 761.02	\$ -	\$ -
SIGNATURE CUSTODIAN/MANAGER									

DA FORM 5163-R, APR 02 EXCEL VERSION

NOTES	(4) These amounts do NOT increase employee's pay check, as they have already been received by the employee.
	(5) & (7) These numbers ARE added to the employee's pay check.
	(7) You must manually enter the amount of service charges you distributed to employees. Do NOT pay out Service Charges to employees in cash. They MUST go through payroll.
	(8) This is the amount that will be "added" to employees gross pay for the purpose of calculating retirement benefits, employer 401(k) contributions, Social Security benefits upon retirement, and any other employer benefits, as well as all taxes.
(9) Transfer the amount for each employee on Column 20 of DA Form 5462-R, into this column. Federal & State Withholding Taxes, FICA, etc., are NOT taken from Allocated amounts. This number will show up on the employee's W-2, and the employee will have to pay all taxes, Social Security withholding, Medicare taxes, as well as penalties (up to 50% of the amount due), and interest, unless the employee can prove, with daily records that match employer records, that they did not receive these amounts. Additionally, employees do NOT get retirement benefits, 401(k), life insurance, etc., on these amounts.	



#### **4. Tip Allocation & Tip Reporting Worksheet (DA Form 5462-R)**

##### **A. General Instructions:**

- 1) This is the same Worksheet/form that is provided in the Manager's Guide; however, this version is designed to automatically receive information from the Activity Sales & Tip Reporting Sheet (and others), substantially reducing your time and effort.
- 2) You will only need to enter information in Blocks and Rows that are BLUE. All GREEN entries are entered automatically (links) from the other sheets. All BLACK entries are automatic calculations.

##### **B. Specific Instructions:**

- 1) Type in information requested in Blocks 1 through 5 (except the first part of 5 whose number is fixed for all Army installations).
- 2) Enter in Block 9a "Tips Reported (by Indirectly Tipped Employees) from Line 4 of IRS Form 4070". This information is collected from each Indirectly Tipped Employee. It may be turned in at the end of the pay period, or you may use a daily form to capture this information on a daily basis. Ensure that the amount in 9b (that is automatically transferred from the Activity Sheet) matches what is reported by the individual indirect tipped employees themselves. If it does not match, you need to determine if either (or both) your Direct or Indirect Tipped Employees are inaccurate in their reporting.
- 3) If needed, enter the "Register Number" in Block 11. This is for information & tracking purposes for the manager.
- 4) Enter the information for Block 22a, if any. This block is used only if you charge a service charge of less than 10%. Do NOT make an entry based on the percent that is paid out to employees. For example, some facilities charge a 15% service charge, but only distribute 9% to employees. Do NOT list the 9% here. Only if the overall service charge is less than 10% percent do you make an entry.
- 5) Find a copy of your DA Form 5462-R from last pay period. Enter the Year to Date Data from the last row of Block 23 from last pay period, into the first row (Previous YTD (From Last Pay Period)) of this pay period. The rest of this section calculates itself.

##### **C. Completion of Sheet:**

- 1) Continue doing DA Form 5462-R throughout the pay year. At the last pay period of the year, enter the number of directly tipped employees you had throughout the year (if you had 60 intermittent-on call employees and 8 full time staff, the number you would enter is 68). The cumulative count for the year is what is required, not the number currently on staff.
- 2) At the end of the payroll year, the numbers in the last row of Block 23 can be transferred directly to the IRS Tip Reporting Form (IRS Form 8027).
- 3) Note carefully, Block 24. This will tell you your potential for receiving a visit from the IRS, who may be seeking FICA taxes on the amount of under-reported tips.
- 4) The "Individual Allocation" amounts in Column (21) are automatically transferred to a DA Form 5163-R. Managers can send this form to payroll or enter the information onto the TLMS system.

TIP ALLOCATION & TIP REPORTING WORKSHEET (Gross Receipts Method)										1. Period Ending													
For use of this form, see AR 215-1; the proponent agency is OACSIM																							
Authority: 10 USC 3013 Principal Purpose: Worksheet used to identify all tips reported by employees. Routine Uses: Used by management to determine total amount of tips received by employees which must be reported to the Internal Revenue Service for employee tax purposes. The Social Security Number (SSN) is used for identification of the individual and related records Disclosure: Disclosure is mandatory and provides for employee compensation and tax deductions.																							
2. Installation Name, Work Center Code, POC & Address		3. Location		4. Department		5. Employer Identification Number (EIN)		6. Estab. Type		7. Estab. Number													
PART A - Do I Need to Allocate This Pay Period or Month?																							
Gross Receipts (F&B Sales Less Carryout Sales & Less Sales with a 10% or More Service Charge)		7. 8% of Gross Sales (6d x .08)		8. Directly Tipped Employees Net Reported Tips Line 4 IRS Form 4070		9. Indirectly Tipped Employees b. Tips Paid Out Line 3 Form 4070		10. Direct Employees Share of 8% (7 - 9a)		DO NOT ALLOCATE - Block 7 is <= Blocks 8 + 9a. Only Complete Blocks 22 & Previous YTD Row of 23.													
Cash Sales \$3,702.00		\$3,250.00		\$150.00		\$71.02		\$3.00		\$0.00													
PART B - Allocation To Employees																							
11. Name		12. Work Center Code		13. SSN		14. Employee Gross Sales		15. Net Tips from Directly Tipped Employees		16. Gross Sales Ratio (14/6d)		17. Employee Share of 8% Gross (10 x 16)		18. Employee Shortfall (17 - 15)		19. Shortfall Ratio (18/18 Total)		20. Allocable Amount (7 - 8)		21. Individual Allocation (19 x 20)		22a. Total Minor Service Charges	
A		12		123-45-6789		\$ 3,200.00		\$ 324.50		45.06%		\$ -		\$ -		0.0%		\$ -		\$ -			
B		13		234-56-7890		\$ 1,962.00		\$ 269.00		27.63%		\$ -		\$ -		0.0%		\$ -		\$ -			
C		14		345-67-8901		\$ 1,940.00		\$ 167.52		27.32%		\$ -		\$ -		0.0%		\$ -		\$ -			
0		0		000-00-0000		\$ -		\$ -		0.00%		\$ -		\$ -		0.0%		\$ -		\$ -		22b. Total Charged Tips on Receipts	
0		0		000-00-0000		\$ -		\$ -		0.00%		\$ -		\$ -		0.0%		\$ -		\$ -			
0		0		000-00-0000		\$ -		\$ -		0.00%		\$ -		\$ -		0.0%		\$ -		\$ -			
0		0		000-00-0000		\$ -		\$ -		0.00%		\$ -		\$ -		0.0%		\$ -		\$ -			
0		0		000-00-0000		\$ -		\$ -		0.00%		\$ -		\$ -		0.0%		\$ -		\$ -			
0		0		000-00-0000		\$ -		\$ -		0.00%		\$ -		\$ -		0.0%		\$ -		\$ -			
0		0		000-00-0000		\$ -		\$ -		0.00%		\$ -		\$ -		0.0%		\$ -		\$ -			
0		0		000-00-0000		\$ -		\$ -		0.00%		\$ -		\$ -		0.0%		\$ -		\$ -			
0		0		000-00-0000		\$ -		\$ -		0.00%		\$ -		\$ -		0.0%		\$ -		\$ -			
0		0		000-00-0000		\$ -		\$ -		0.00%		\$ -		\$ -		0.0%		\$ -		\$ -			
0		0		000-00-0000		\$ -		\$ -		0.00%		\$ -		\$ -		0.0%		\$ -		\$ -			
0		0		000-00-0000		\$ -		\$ -		0.00%		\$ -		\$ -		0.0%		\$ -		\$ -			
0		0		000-00-0000		\$ -		\$ -		0.00%		\$ -		\$ -		0.0%		\$ -		\$ -			
0		0		000-00-0000		\$ -		\$ -		0.00%		\$ -		\$ -		0.0%		\$ -		\$ -			
0		0		000-00-0000		\$ -		\$ -		0.00%		\$ -		\$ -		0.0%		\$ -		\$ -			
0		0		000-00-0000		\$ -		\$ -		0.00%		\$ -		\$ -		0.0%		\$ -		\$ -			
0		0		000-00-0000		\$ -		\$ -		0.00%		\$ -		\$ -		0.0%		\$ -		\$ -			
0		0		000-00-0000		\$ -		\$ -		0.00%		\$ -		\$ -		0.0%		\$ -		\$ -			
0		0		000-00-0000		\$ -		\$ -		0.00%		\$ -		\$ -		0.0%		\$ -		\$ -			
0		0		000-00-0000		\$ -		\$ -		0.00%		\$ -		\$ -		0.0%		\$ -		\$ -			
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## **5. Employee Tip Compliance Report**

### **A. General Instructions:**

This is a newly created report for management use. You do NOT have to make any entries as it is entirely created from links and automatic calculations. It tells you specifically which employees are not in compliance with the Tip Allocation Reporting requirement and/or the Cash vs. Charge Tip Reporting Standard. It also advises you of the proper amount of cash tips that SHOULD be reported in bring that employee into compliance. If employees are advised of these amounts prior to submission to payroll, you can simply make one change on the Activity Sheet (increase Column (1) "CASH TIPS (from Cash or Charge Sales)"), which will then automatically recalculate all sheets and forms (including this sheet), converting that employee into compliance with tax reporting laws.

### **B. Specific Instructions:**

- 1) No manual entries required.
- 2) Look for any employee with "Not in Compliance" listed in (2) or (5).
- 3) Attempt to bring the employee into compliance.
- 4) If they adjust their reporting prior to submission to payroll, go back to Column (1) of the Excel Activity Sales & Tip Reporting Sheet. Enter into Column (1) of the Activity Sheet the amount in Column (8) of this sheet.
- 5) All forms will be automatically updated, and the "Not in Compliance" should be automatically removed.

### **C. Completion of Sheet:**

- 1) Employees not in compliance should be advised on a regular basis that this information is on an official record and may be turned over to the IRS if asked. Employees NOT receiving these calculated amounts should ensure that they are keeping their own daily records as proof of their individual earnings.
- 2) The amount listed at the bottom of the form (Potential Additional Employer FICA liability) is in addition to any amounts that would show up on the DA Form 5462-R.
- 3) Activities are reminded to complete their statutory and contractual labor relations obligations prior to implementing this policy.

## EMPLOYEE TIP COMPLIANCE REPORT (Activity Accepts Charge Cards)

Pay Period: \_\_\_\_\_

Charge Tip v. Cash Tip Reporting Standard							
8% Reporting Standard							
Activity:			Charge Rate		Minimum Cash Rate:		13.85%
(1) Allocations This Pay Period	(2) Employees NOT Complying with 8% Reporting to Avoid Management Having to do Allocation Procedures	(3) Employee Actual Cash Tip Reporting Rate	(4) Difference: Cash v. Charge Reporting Rate	(5) Employees NOT Complying with "With in 2 Points of Charge Tip Rate" Reporting to Avoid Management Liability for additional FICA, etc.	(6) Employee Under Reporting Rate	(7) Additional Amount Employee Needs to Report to be in Compliance	(8) Amount that SHOULD be Reported on Column (1) of Activity Sheet
1 A	\$ -	6.22%	-9.63%	Not in Compliance	-7.63%	\$137.52	\$249.52
2 B	\$ -	11.90%	-3.94%	Not in Compliance	-1.94%	\$20.39	\$145.39
3 C	\$ -	1.20%	-14.65%	Not in Compliance	-12.65%	\$126.47	\$138.47
4	\$ -						
5	\$ -						
6	\$ -						
7	\$ -						
8	\$ -						
9	\$ -						
10	\$ -						
11	\$ -						
12	\$ -						
13	\$ -						
14	\$ -						
15	\$ -						
16	\$ -						
17	\$ -						
18	\$ -						
19	\$ -						
20	\$ -						
TOTAL	\$ -					\$ 284.38	
			Potential Additional Employer FICA Liability:			\$ 21.75	